

AB 2313
Clean Up Language for Disaster Loan Guarantee Program and
Defense Retention Grant Program

Sponsor: Technology, Trade and Commerce Agency

THE BILL

This legislation will correct erroneous statutory references related to a declaration of a disaster/state of emergency in order to implement the Disaster Loan Guarantee Program and clarify conflicting statute in the Defense Retention Grant Program regarding the local cost share and remove duplicative and obsolete codes.

BACKGROUND

The *Disaster Loan Guarantee Program* (DLGP) provides guarantees to local lenders for loans issued to small businesses or farmers that suffer losses during disasters. DLGP complements federal assistance programs by providing loan guarantees to businesses that are eligible for Federal Small Business Administration (SBA) Disaster Assistance. However, unlike small businesses, farmers cannot apply for SBA loans. Current regulations state that the program is only activated upon direction of the Governor and the appropriation of emergency funds for this program. The main technical changes include:

- Replacing references to “declarations of a disaster” as they pertain to the Governor with references to a “state of emergency”
- Including references to the U.S. Secretary of Agriculture to accurately reflect whom, besides the President and federal Small Business Administration, can declare a disaster.
- Replacing the phrase “throughout the state” to “within the state”

The *Defense Retention Grant Program*, which is administered by the Office of Military Base Retention and Reuse (OMBRR), provides matching funds to assist local communities with developing a local military base retention strategy. Communities may receive grants that range from \$10,000 to \$50,000 that, together with local funds, are used to fund defense and base retention activities. The main technical changes include:

- Retain the 50 percent local match requirement rather than two-thirds, and
- Eliminate the grant cap at \$50,000.

If you support this legislation please send letters to:

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